

NEWS RELEASE

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DeNUCCI SAYS UMASS-BOSTON MISUSES OVER \$200,000 IN GARAGE MAINTENANCE MONEY

State Auditor Joe DeNucci reported today that the University of Massachusetts at Boston inappropriately diverted more than \$200,000 in parking garage revenue for unrelated purposes such as salaries and administrative expenses, even while the garage was in poor condition due to insufficient spending on maintenance and repairs.

According to DeNucci's audit, revenues from parking fees go into a parking and transportation trust fund that was set up by the university's board of trustees to run the garage and the campus shuttle bus service that runs between the school and the JFK/UMass MBTA station. However, DeNucci's audit found that during fiscal 2002, despite the crumbling physical condition of the facility, several university departments spent a total of \$200,984 from the trust fund for purposes not related to the operation of the garage.

The audit disclosed that five different departments charged salary and overtime payments totaling \$117,285 for employees and student interns to the garage fund in fiscal year 2002 that had no benefit to the garage. In addition, the audit found that the university could not document that \$56,700 of a \$100,000 charge for electricity to the fund was related to the garage operation.

DeNucci's audit also questioned \$12,100 for architectural and landscaping services and a \$16,600 administrative assessment that appeared to have no relation to the garage.

While these questionable expenditures were being made, part of the facility's floor collapsed, forcing the closing of a large section of the structure that provided parking for 131 vehicles and the resulting long-term loss of revenue raised through the \$5.00 daily parking fee.

An engineering firm hired by the university found the garage "... to be in overall poor condition." The firm's report attributed the building's decline to "a lack of structural maintenance and protection, poor drainage and marginal concrete quality." The firm estimated that it could cost as much as \$42 million to restore the structure.

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In response to DeNucci's audit, the UMass-Boston administration said it agreed with the audit's findings and has begun corrective action to address these problems. The university noted that it would restrict the use of the parking garage funds only to expenses directly related to the operation of the garage during fiscal year 2003 and will disallow any claims that do not directly relate to the parking and transportation fund's stated purpose. The university also said it intends to fully rehabilitate the garage in conjunction with the planned construction of a new 1,500-space garage on the campus.

"Trust funds at state colleges and universities should be used only for the purposes intended," said DeNucci. "I appreciate the university's response and I expect a positive resolution to this matter."

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